

## Federal Deposit Insurance Corporation

**\$ 327.30**

- Multifamily Real Estate Loans;
- 1-4 Family Closed-End First Liens;
- 1-4 Family Closed-End Junior Liens;
- Revolving Home Equity Loans; and
- Agricultural Real Estate Loans.

### *Recovery Value of Assets at Failure*

Table D.2 shows loss rates applied to each of the asset categories as adjusted above.

TABLE D.2—ASSET LOSS RATE ASSUMPTIONS

Asset category	Loss rate (percent)
Cash and Interest Bearing Balances .....	0.0
Trading Account Assets .....	0.0
Federal Funds Sold and Repurchase Agreements .....	0.0
Treasury and Agency Securities .....	0.0
Municipal Securities .....	10.0
Other Securities .....	15.0
Construction and Development Loans .....	38.2
Nonresidential Real Estate Loans .....	17.6
Multifamily Real Estate Loans .....	10.8
1-4 Family Closed-End First Liens .....	19.4
1-4 Family Closed-End Junior Liens .....	41.0
Revolving Home Equity Loans .....	41.0
Agricultural Real Estate Loans .....	19.7
Agricultural Loans .....	11.8
Commercial and Industrial Loans .....	21.5
Credit Card Loans .....	18.3
Other Consumer Loans .....	18.3
All Other Loans .....	51.0
Other Assets .....	75.0

### *Secured Liabilities at Failure*

Federal home loan bank advances, secured federal funds purchased and repurchase agreements are assumed to be fully secured.

Foreign deposits are treated as fully secured because of the potential for ring fencing.

### *Loss Severity Ratio Calculation*

The FDIC's loss given failure (LGD) is calculated as:

$$LGD = \frac{\text{Insured Deposits}_{\text{Failure}}}{\text{Domestic Deposits}_{\text{Failure}}} \times (\text{Domestic Deposits}_{\text{Failure}} - \text{Recovery Value of Assets}_{\text{Failure}} + \text{Secured Liabilities}_{\text{Failure}})$$

An end-of-quarter loss severity ratio is LGD divided by total domestic deposits at quarter-end and the loss severity measure for the scorecard is an average of end-of-period loss severity ratios for three most recent quarters.

[76 FR 10724, Feb. 25, 2011]

## Subpart B—Implementation of One-Time Assessment Credit

AUTHORITY: 12 U.S.C. 1817(e)(3).

SOURCE: 71 FR 61383, Oct. 18, 2006, unless otherwise noted.

### **§ 327.30 Purpose and scope.**

(a) *Scope.* This subpart B of part 327 implements the one-time assessment credit required by section 7(e)(3) of the Federal Deposit Insurance Act, 12

U.S.C. 1817(e)(3) and applies to insured depository institutions.

(b) *Purpose.* This subpart B of part 327 sets forth the rules for:

- (1) Determination of the aggregate amount of the one-time credit;
- (2) Identification of eligible insured depository institutions;
- (3) Determination of the amount of each eligible institution's December 31, 1996 assessment base ratio and one-time credit;
- (4) Transferability of credit amounts among insured depository institutions;
- (5) Application of such credit amounts against assessments; and
- (6) An institution's request for review of the FDIC's determination of a credit amount.